

# **EXHIBIT B**

To the Affidavit of Nick Abraczinskas

# HOLTEC INTERNATIONAL

## Corporate Governance and Ethics Manual

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| <b>TABLE OF CONTENTS</b> |  |      |
|--------------------------|--|------|
| CHAPTER                  | TITLE  | PAGE |
| N/A                      | Letter to Associates   | 1    |
| 1                        | Commitment to Integrity  | 2    |
| 2                        | Definitions  | 7    |
| 3                        | Responsibilities<br>3.1 Corporate Governance Officer<br>3.2 Ethics Program Director<br>3.3 Reporting Obligations<br>3.4 Hotline  | 8    |
| 4                        | Standards of Business Conduct<br>4.1 Compliance to Laws and Regulations<br>4.2 Certifications and Other Statements to the Government<br>4.3 Customer Relations<br>4.4 Supplier Relations                     | 10   |
| 5                        | Business Conflicts   | 13   |
| 6                        | Employment Practices<br>6.1 General Policy<br>6.2 Discrimination and Harassment Policy<br>6.3 Hiring Policies<br>6.4 Consultants and Representatives   | 14   |
| 7                        | Business with or in Foreign Countries<br>7.1 General Policy<br>7.2 Gifts<br>7.3 Payments<br>7.4 Export Control Laws  | 17   |
| 8                        | Antitrust  | 19   |
| 9                        | Contract Pricing and Accounting  | 20   |
| 10                       | Product Quality  | 21   |
| 11                       | Community Activities   | 22   |
| 12                       | Political Activities<br>12.1 Contributions<br>12.2 Associate Political Activities  | 23   |
| 13                       | Protecting Information<br>13.1 General Policy<br>13.2 Proprietary and Company Private Information<br>13.3 Subcontractor and Supplier Information<br>13.4 Associate Information<br>13.5 Gathering Information | 24   |
| 14                       | Company Property and Benefits<br>14.1 General Policy<br>14.2 Travel Costs<br>14.3 Medical Claims<br>14.4 Other Expenses  | 26   |
| 15                       | Safety, Health and Environmental Protection  | 27   |

| <b>TABLE OF CONTENTS</b> |  |      |
|--------------------------|--|------|
| CHAPTER                  | TITLE  | PAGE |
| 16                       | Drugs and Alcohol  | 28   |
| 17                       | Weapons  | 29   |
| 18                       | Violence in Workplace  | 30   |
| 19                       | Compliance<br>19.1 General Policy<br>19.2 Non-Retaliation Policy<br>19.3 Disciplinary Policy | 31   |
| 20                       | Conclusion   | 32   |

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## LETTER TO ASSOCIATES

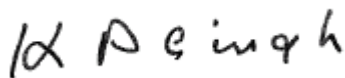
Holtec International, Inc. has a long an excellent reputation for honesty and integrity in business dealings. This reputation is a priceless asset which must be safeguarded continually by all of us. To succeed, we must have the trust and confidence of our customers, subcontractors, suppliers, fellow Associates and the public. Maintaining an unwavering commitment to the highest standards of business ethics and conduct is crucial to our future.

The Company's policy is to abide by all U.S. Government laws and the laws of any state, municipality or other country where we do business. But our commitment to integrity goes far beyond observing the letter and spirit of the law. Even when there is no law, rule, regulation or contractual provision covering a given situation, we take personal pride in knowing that the Company expects us to do what is right.

The Corporate Governance and Ethics Manual provide a general statement of principles and guidelines designed to help you make decisions that reflect the highest ethical standards. They are Company policy. You are expected to read and understand these standards and are required to certify annually your commitment to complying fully with them.

No publication can address every situation, nor can it take the place of your own sense of integrity and good judgment. If you encounter situations not discussed specifically in the Corporate Governance and Ethics Manual, you should apply the overall philosophy and spirit of these standards. When in doubt, you should seek counsel from your supervisor, the Ethics Program Director or the corporate counsel.

Our sustained success depends on all of us doing the right thing from an ethical point of view. We each must demonstrate consistently the utmost integrity and honesty.



**Dr. Krishna P. Singh, President and CEO**

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## CHAPTER 1: COMMITMENT TO INTEGRITY

This manual summarizes the requirements pertaining to the ethical and legal responsibilities of all Company personnel while conducting Company's business within the sphere of the Associate's activities specified by the Company.

Holtec International, as a prominent global energy technology company based in the United States and abroad, has a duty and obligation to promote and uphold the highest standards of corporate conduct. Inasmuch as the ideals, values and aspirations of a company find their utterance in the words and deeds of its Associates, this manual is intended to speak to the Holtec Associates at all levels of the organization in all parts of the world. The central message of this manual is to ask the Associate to live by the code of conduct that would ensure the highest level of Corporate reputation. This message is especially applicable to those Holtec personnel who deal with customers in the power industry and other similar industries both within the United States as well as in foreign countries on an ongoing basis. Whether at home or abroad, under all circumstances, Holtec International is committed to being an ideal corporate citizen by maintaining an impeccable standard of business and professional conduct. The standard of conduct applies equally well to the manner in which Holtec's Associates interact with vendors, co-Associates, and customers in informal settings. A professional, honest and welcoming gesture in all business dealings is held to be a core behavioral attribute of the Company which means that all Holtec Associates conduct business in a manner that fosters mutual respect and cooperation with external entities. This requires that we:

- Conduct all dealings with our customers and suppliers with honesty and integrity.
- Respect the rights of all Associates to fair treatment and equal opportunity, free from discrimination or harassment of any type.
- Know, understand and comply with the laws, regulations, and codes of conduct governing the conduct of our business.
- Ensure that all transactions are handled honestly and recorded accurately.
- Protect information that belongs to the Company, our customers, suppliers and fellow workers.
- Avoid conflicts of interest, both real and perceived.
- Never use Company assets or information for personal gain.

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Recognize that even the appearance of misconduct or impropriety can be very damaging to the reputation of the Company and act accordingly.

This manual addresses some very specific topics within the areas of ethical and legal compliance as well as personnel conduct on the part of a Holtec Associate. It is not possible to cover every situation that may occur. As such, it is critical that each Holtec Associate use his/her personal set of values in reacting to situations and circumstances. As a rule of thumb, one should not act in a manner under any circumstances that would embarrass the individual or disappoint his/her colleagues if the activity were to become publicly known. Some examples of forbidden or unbecoming conduct/ behavior include:

- 1) Giving a bribe in cash or kind to a client's Associate;
- 2) Accepting a bribe in cash or kind from a supplier;
- 3) Moonlighting without a written authorization from the company's Executive Management;
- 4) Knowingly allowing a defect in the company's deliverables (goods or services) to remain unidentified and hence, unremedied;
- 5) Engaging in discussions to hire a client's Associate without Executive Management's knowledge;
- 6) Making undocumented business deals with client's representatives (lack of transparency);
- 7) Inflating business (reimbursable) expenses;
- 8) Making commitments to a client or suppliers beyond the Associate's limits of authority;
- 9) Making false representations to any stakeholders;
- 10) Speaking poorly of any client, supplier, or Holtec Associate;
- 11) Use company's resources to help self, friends, or family;
- 12) Fail to meet personal legal commitments such as payment of taxes and alimony;
- 13) Engage in wasteful spending such as increased travel costs due to last minute reservations, expensive hotels and meals and entertainment, and unnecessary travel;

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- 14) Engaging in any activity that violates the professional license, affiliation, or registration held by the Associate;
  - 15) Speaking poorly of Holtec International to members of the media or the industry;
  - 16) Falsifying the company's documents;
  - 17) Use of inappropriate language, gestures, etc., in any context;
  - 18) Expressions of prejudice or intolerance, disregard for others' sensibilities;
  - 19) Haughty, self-arrogant or self-promoting behavior;
  - 20) Hiring a close relative of a client's Associate without Executive Management's knowledge who has the ability to influence issuance of purchase or change orders to the Company;
  - 21) Purposely failing to follow Holtec procedures and processes;
  - 22) Participating in frivolous attacks on a competitor. Fact based comparisons of Holtec's technology with a competitor is not banned, but engaging in rumor, polemical propaganda and personal attacks is;
  - 23) Engaging in discussions of politics or religion on Holtec's premises with an eye to propagandizing a certain point of view;
  - 24) Seeking sexual or other favors from another Holtec Associate;
  - 25) Favoritism in the rewarding or promoting of subordinates.

The above examples are not arranged in any order of severity and they are not an exhaustive list. The Company relies on the good sense and social values of the Associate to make decisions if a situation arises.

### **Our Guiding Precepts**

Safety of our personnel and our contractors' and our customers' personnel is our top priority.

Holtec firmly believes that a top notch quality assurance program is our company's lifeblood.

Our commitment to fulfill our client's expectations is second only to our commitment to personnel safety and the prerogatives of quality.



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Holtec holds any form of discrimination as totally antithetical to our core values.

## **Our Core Values**

### **Integrity**

We walk the talk.

Our actions are based on absolute honesty and uncompromising ethics.

We strive to earn each other's trust.

We keep our word no matter what the cost.

We demand *absolute transparency* in all business transactions regardless of the local cultural framework in which we are operating.

### **Civility**

We treat each other with respect and dignity. We do not belittle anyone.

We do not subscribe to rumors and innuendoes.

We do not speak poorly of our competitors.

### **Accountability**

Our people hold themselves responsible for their actions – never shifting blame on others.

We diligently follow the Company's policy and procedures.

We view reporting of any observed defects and non-compliances in accordance with the company's quality program a moral duty, not merely a legal imperative.

### **Teamwork**

We acknowledge we are individually imperfect, but we strive to build perfect teams.

We subordinate our individual interests to that of the team.

We never, never talk down to anyone.

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Superior ideas, not rank or position of the sponsor, reign supreme in our collective deliberations. Good ideas, whether from the President or from the summer intern, have the same weight.

### **Continuous Improvement**

We view our daily work as a continuous journey for self-improvement.

We are self-critical.

We are always on the hunt for new ideas to improve ourselves.

### **Unfettered Communication**

We seek meaningful feedback from our stakeholders.

We seek other opinions and we value different perspectives.”

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## **CHAPTER 2: DEFINITIONS**

Associate - Any person in Holtec's full time or part time employ.

Company - Holtec International and its subsidiaries.

Executive Committee - A standing committee that includes the President of Holtec and Senior Vice Presidents. This committee serves to advise the company's chief executive in policy matters and on strategic issues.

Executive Management - A company Associate who holds the rank of Vice-President or above.

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## **CHAPTER 3: RESPONSIBILITIES**

### **3.1 Corporate Governance Officer**

Holtec Associates have a responsibility to be aware of, to understand and to follow the Company's Corporate Governance and Ethics Manual. Consultants, agents and other representatives of Holtec have a similar obligation.

The Corporate Governance and Ethics Manual is maintained and enforced by the Corporate Governance Officer who is appointed by the Company's Executive Committee and reports directly to the Board of Directors. The Corporate Governance Officer has the following responsibilities:

- (1) Develop and implement enhanced governance policies and practices to address the specific corporate governance requirements of each US Government agency with which Holtec is engaged in business;
- (2) Report to the Board of Directors, on a regular basis, regarding Holtec's corporate governance and ongoing assessment of possible improvements;
- (3) Coordinate responses to government inquiries regarding corporate governance;
- (4) Coordinate internal corporate governance review and monitoring activities, including a periodic review of government contracts;
- (5) Assess and mitigate corporate governance risks;
- (6) Coordinate with the Ethics Program Director regarding ongoing training for Holtec Associates in compliance with internal and external corporate governance policies and procedures;
- (7) Serve as a liaison between the Board of Directors and the Ethics Program Director regarding business ethics compliance and implementation of Holtec's Corporate Governance and Ethics Manual; and
- (8) Such other responsibilities and duties as the Board of Directors may assign from time to time.

### **3.2 Ethics Program Director**

The Board of Directors has established requirements for Management to conduct ethics awareness education and to report on the continued effectiveness of the Company's ethics

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program. In addition, the Board of Directors appoints an Ethics Program Director. The Ethics Program Director shall:

- (1) ensure compliance with the ethics program;
- (2) provide a confidential method for Associates to seek advice or to report questionable behavior;
- (3) serve as a first point of contact to Associates on questions related to business and ethical conduct;
- (4) ensure that investigations of questionable behavior are conducted;
- (5) initiate Company management guidelines to implement ethics training programs.

The Ethics Program Director reports directly to the Corporate Governance Officer. At the discretion of the Board of Directors, the positions of Corporate Governance Officer and the Ethics Program Director may be held by a single individual.

The corporate counsel is responsible for legal guidance and interpretation of applicable laws, regulations and government orders. Operating management is responsible for monitoring and enforcing these standards of business ethics and conduct throughout the Company.

### **3.3 Reporting Obligations**

Each Associate must be alert and sensitive to situations that could result in illegal, unethical, or improper actions. Each Associate has the obligation to report potential or actual violations of the Company's standards of business ethics and conduct to his or her immediate supervisor, the Ethics Hotline, the Ethics Program Director or corporate counsel.

Supervisors will advise the Ethics Program Director of those matters which constitute a potential or actual violation, whether or not it is believed to be intentional. In those cases where no proof exists that a potential or actual violation has occurred, the reporting Associate will be so advised.

### **3.4 Hotline**

The Company has established an Ethics Hotline to facilitate Associate reporting of any violations of these Standards of Business Ethics and Conduct, or of other Company policies. The Ethics Hotline number is **1-800-HOLTECØ EXT. 618**. All calls are confidential and callers may remain anonymous (within the constraints of legal requirements).

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## **CHAPTER 4: STANDARDS OF BUSINESS CONDUCT**

### **4.1 Compliance to Laws and Regulations**

It is the Company's policy to conduct business in accordance with all applicable federal, state and local laws and the laws of other countries in which it operates, and to perform all of its obligations under the contracts into which it enters. The policy also requires adherence to the highest standards of business ethics and conduct.

Specifically, the Company and its Associates will comply with the contractor responsibility provisions of the Federal Acquisition Regulation and all other laws and regulations concerning contracts with or subcontracts for the United States government or any state or municipal agency.

Laws and regulations concerning the Company's transactions with the U.S. Government and with state and municipal agencies usually can be readily determined. Those concerning the conduct of international business may be more complex. Should you need advice, however, or if you have reason to believe that a domestic or foreign law could be violated in connection with Company business, notify your supervisor, the Ethics Program Director or the corporate counsel at once.

Associates are responsible for honoring the Company's contractual obligations; no action shall be taken for the purpose of circumventing such obligations. In the event the Company's obligations are not clear under a contract or subcontract, you should contact your supervisor or the corporate counsel to obtain a clarification of the requirements.

### **4.2 Certifications and Other Statements to the Government**

Associates signing certifications or making other statements to a government entity are responsible for undertaking any measures necessary to ensure the truthfulness and accuracy of such communication. Inaccuracy or misleading statements can result in criminal and civil penalties for the individual Associate and the Company.

### **4.3 Customer Relations**

U.S. Government personnel are prohibited, with limited exceptions, from accepting gifts, gratuities, or entertainment from contractors. Similar rules apply to many state and municipal employees. The Company supports these rules and Associates are expected to comply with both the letter and spirit of these directives. The Company and its Associates must avoid any situations which could be viewed as attempts to evade the requirements imposed on military and civilian government employees. The following guidelines apply:

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- Government employees may accept modest refreshments (e.g., coffee and donuts) incidental to a business meeting.
  - Do not offer government employees anything else without approval from the Ethics Program Director, and do not press them to accept refreshments if they decline or insist on paying.

The following shall apply to Holtec's personnel for all customers:

- 1) No gifts of any significant value may be provided to a customer if it is an attempt to gain an unfair competitive advantage in an ongoing bid.
- 2) Under no circumstances may you provide cash or cash equivalents to a customer (except through proper mechanisms such as invoicing).
- 3) If you are approached by a client's employee for a position at Holtec, then you must inform the individual that prior to commencing any discussions, you must get authorization from Holtec's Executive Management. Holtec's Executive Management will have to clear this matter with the client's upper management before making any overtures to hire a client's employee. This prohibition does not apply to contractors who may be working for the client. Also, see the Employment Practice section of this manual for additional requirements on hiring practices related to government employees.

For non-federal contracts, the following shall apply:

- 1) Giving of any gifts in excess of \$100.00 in value to a client's representative must be approved by Holtec's Executive Management in writing. Providing unauthorized gifts or gratuities to client's representatives will expose you personally to the consequences of a wrongful act under U.S. law. The law extends to Holtec's activities in foreign countries also, under the so-called "Foreign Corrupt Practices Act" which prohibits payments or gifts of any significant value to foreign government or political officials for securing contracts;
- 2) Taking a customer out for a meal as part of normal business activities neither constitutes a gift nor a bribe;
- 3) Taking a visiting customer to a local sporting event or other similar activity does not constitute a gift or bribe as long as the actual expenses are reasonable and the type of activity would not be considered lavish in nature.

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#### **4.4 Supplier Relations**

You cannot allow suppliers or other business associate to improperly influence your business decisions. Associates may accept advertising items of nominal value (\$10.00) from a supplier or business associate, but gifts of larger value must be reported to your supervisor and gifts must be returned if they are from a supplier related to a federal contract. If there is any doubt about the value or the advisability of accepting an advertising item, ask your supervisor, the Ethics Program Director or the corporate counsel.

Invitations to social events, working luncheons or other business-related events are to be evaluated individually on their merit as a business activity. If there are sound business reasons for accepting, you may do so with the knowledge and consent of your supervisor.

In connection with federal contracts or subcontracts, federal law prohibits “kickbacks,” under which money or anything of value is directly or indirectly provided or offered to or solicited by employees of a contractor or subcontractor for the purpose of improperly obtaining or rewarding favorable treatment. Accordingly, favors may not be solicited, and if you are offered any favors, you must decline them and report the incident to your supervisor.

All Associates, particularly those involved in the procurement of supplies or services on behalf of the Company, must avoid even the appearance of impropriety.

##### For non-federal contracts:

Holtec personnel may accept a gift from a Supplier as long as it does not exceed \$100.00 in value. You must report all gifts that exceed this value to a member of the Executive Management. The identity of the gift giver and the reason for the gift shall be spelled out in your report (by email).

Providing or receiving bribes or kickbacks are strictly prohibited. Under no circumstances may you receive cash or cash equivalents from a supplier (except through proper mechanisms such as invoicing).

Having a supplier pay for a meal as part of normal business activities neither constitutes a gift nor a bribe.

Being taken to a local sporting event or other similar activity does not constitute a gift or bribe as long as the actual expenses are reasonable and the type of activity would not be considered lavish in nature.

No gifts of any value may be received by a Holtec Associate if it is an attempt to gain an unfair competitive advantage or motivate someone to perform illegal or unethical activities.



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## **CHAPTER 5: BUSINESS CONFLICTS**

Holtec has no desire to infringe on the personal lives of its Associates. The Company respects the right of its Associates to manage their financial affairs, to make personal investments and to participate in private commercial enterprise.

A conflict of interest arises when an Associate has an interest in any business or property or an obligation to any person that could affect the Associate's judgment in fulfilling his or her responsibilities to Holtec. Accordingly, Holtec Associates are expected to refrain from any activity or investment that constitutes, or might appear to constitute, a conflict of interest.

For example, a Holtec Associate is not to have a substantial holding in, or a professional affiliation with, a company with which Holtec does business or with which Holtec competes. Holtec Associates may not use their positions at the Company to benefit themselves, their relatives, their friends or their private enterprises. A family or other personal relationship with a Holtec supplier or competitor also may present a conflict of interest.

You must disclose to the Ethics Program Director any outside activity, relationship, or investment in which you are involved or may become involved that is, or has the potential for appearing to be, a conflict of interest. If you require guidance in this area, your supervisor, the Ethics Program Director or the corporate counsel should be consulted.

You are also prohibited by federal law from purchasing or selling securities on the basis of "material inside information," and from communicating or relating such inside information to others for that purpose. Information is "inside" if it has not yet been made available to the public. Information is "material" if it is likely to be of significance to an investor in determining whether to buy, sell or hold any security. Information may be significant for this purpose even if it alone would not determine the investor's decision.

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## CHAPTER 6: EMPLOYMENT PRACTICES

### 6.1 General Policy

Associates constitute our most important resource. It is the policy and practice of the Company that all Associates be provided fair and equitable treatment. It is also our policy and practice to employ individuals strictly on the basis of their qualifications for Company work. We strive to place Associates in positions that are best suited to their capabilities.

### 6.2 Discrimination and Harassment Policy

We believe in the fair and equitable treatment of the individual. We are committed to a policy of equal opportunity, which prohibits discrimination or harassment of any type.

In accordance with applicable law, Holtec prohibits unlawful harassment and harassment because of sex, race, color, national origin, ancestry, religion, physical or mental disability, veteran status, familial status, age, or any other basis protected by federal, state, or local law. Any such acts harassment will be ground for disciplinary action, including termination.

Applicable state and federal law defines sexual harassment as unwanted sexual advances, requests for sexual favors, or visual, verbal, or physical conduct of a sexual nature when: (1) submission to the conduct is made a term or condition of employment; or (2) submission to or rejection of the conduct is used as basis for employment decisions affecting the individual; or (3) the conduct has the purpose or effect of unreasonably interfering with the Holtec Associate's work performance or creating an intimidating, hostile, or offensive working environment. This definition includes many forms of offensive behavior. The following is a partial list:

- 1) Unwanted sexual advances;
- 2) Offering employment benefits in exchange for sexual favors;
- 3) Making or threatening reprisals after a negative response to sexual advances;
- 4) Visual conduct such as leering, making sexual gestures, or displaying sexually suggestive objects, pictures, cartoons, or posters;
- 5) Inappropriate verbal conduct such as making or using derogatory comments, epithets, slurs, sexually explicit jokes, or comments about any Holtec Associate;
- 6) Verbal sexual advances or propositions;
- 7) Verbal abuse of a sexual nature, graphic verbal commentary about an individual's body, sexually degrading words to describe an individual, or suggestive or obscene letters, notes, or invitations.
- 8) Physical conduct such as touching, assault, or impeding or blocking movements;

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9) Retaliation for reporting harassment or threatening to report harassment.

It is unlawful for males to sexually harass females or other males, and for females to sexually harass males or other females. Sexual harassment on the job is unlawful whether it involves co-Associate harassment, harassment by a supervisor, or harassment by persons doing business with or for the Company.

Harassment on the basis of race, color, national origin, ancestry, religion, physical, or mental disability, veteran status, familial status, age, or any other protected basis, includes behavior similar to sexual harassment, such as:

- 1) Verbal conduct such as threats, epithets, derogatory comments, or slurs;
- 2) Visual conduct such as derogatory posters, photographs, cartoons, drawings, or gestures;
- 3) Physical conduct such as assault, unwanted touching, or blocking normal movement, and
- 4) Retaliation for reporting harassment or threatening to report harassment.

All Holtec Associates are responsible for helping to assure that nothing occurs that may be construed as harassment. If you feel that you have experienced or witnessed harassment, you are to report it immediately to your supervisor or Ethics Program Director. The Company forbids retaliation against anyone who complains of harassment or provides information in connection with any such complaint.

The Company's policy is to investigate all such complaints thoroughly and promptly. To the fullest extent practicable, the Company will keep complaints and the terms of their resolution confidential. If an investigation confirms that harassment has occurred, the Company will take corrective action, including such discipline up to and including immediate termination of employment, as is appropriate.

Holtec International accepts no liability for harassment of one Holtec Associate by another Holtec Associate. The individual who makes unwelcome advances, threatens or in any way harasses another Holtec Associate is personally liable for such actions and their consequences. Holtec International may or may not provide legal, financial or any other assistance to an individual accused of harassment if a legal complaint is filed.

### **6.3 Hiring Policies**

Holtec has no prohibition against the hiring of relatives of Associates. Decisions regarding hiring, however, may not be influenced by a family or other significant personal relationship. In addition, no Associate shall be supervised or in a position in which progress can be influenced by a relative or other such relationship.

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Recruitment and employment of current and former U.S. Government Associates is governed by complex, constantly changing rules (sometimes called “revolving door” rules). These rules may prohibit their recruitment and employment or even discussions of possible employment. Restrictions also may be imposed on the duties such current and former government Associates may perform as Associates, agents, consultants, or other representatives of Holtec.

Former government personnel are subject to federal conflict of interest laws and the rules and regulations of government agencies. Before engaging in *any* employment discussions with individuals who currently are, or formerly were, employed by the government, Company Associates must understand these laws, rules and regulations. The corporate counsel can advise you about proposed recruitment and employment of such personnel.

It is particularly important that potential conflict of interest situations be reviewed and resolved by the Ethics Program Director and corporate counsel *prior to* any discussions regarding potential employment of current government personnel - including exploratory contacts, recruitment, solicitation and offer of employment.

For former government personnel employed by the Company, potential conflict of interest situations must be reviewed and resolved by the Ethics Program Director and corporate counsel *prior to* any promotion, transfer or reassignment.

#### **6.4 Consultants and Representatives**

Consultants and representatives shall only be retained for proper commercial purposes and in accordance with Company policy. Compensation for consultants and representatives will be comparable to that customarily paid in the locale and commensurate with the nature and scope of the service.

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## **CHAPTER 7: BUSINESS WITH OR IN FOREIGN COUNTRIES**

### **7.1 General Policy**

Business conduct in foreign countries sometimes differs from that in the United States, both in terms of common practice and legality. The simple overriding consideration is that if any unethical or illegal activity is necessary to obtain or retain any business, the Company will not pursue or seek to retain that business.

### **7.2 Gifts**

No individual may give a gift to or receive a gift from any foreign national with whom the Company has business dealings, or reasonably may have business dealings in the future. If an exchange of gifts is both a legal and normal practice, the Company will provide the gift and any gift received will become Company property.

### **7.3 Payments**

It is a felony under U.S. laws for the Company, any of its Associates, or anyone acting on its behalf, to give, offer, promise or authorize a payment to a foreign official, foreign political party or official thereof, or any candidate for foreign political office, in connection with obtaining or retaining business for the Company.

U.S. law also makes it a felony to pay money or anything of value to a commission agent, sales representative or consultant when there is knowledge or firm belief that the payment will be used to corruptly influence a government official in connection with business the Company is attempting to obtain or retain. Political contributions will not be made by or on behalf of Holtec in foreign countries.

The Company will observe the laws of foreign countries in which it operates concerning payment of agents' fees and commissions, provided these laws are not in conflict with U.S. law. Associates are not to engage in activities designated to circumvent foreign laws concerning retaining or paying sales representatives and consultants.

### **7.4 Export Control Laws**

It is the Company's policy to comply with the export and re-export control rules and regulations under the Export Administration Regulations ("EAR") administered by the United States Department of Commerce and the International Trade in Arms Regulations ("ITAR") administered by the United States Department of State. Officers and

CD-07

Revision 0

Page 18 of 32

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Associates shall not engage in any export-related transaction on behalf of the Company which would violate any EAR or ITAR regulation. Company management has been instructed to ensure that all Associates involved in export-related transactions comply with all applicable export control requirements.

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## CHAPTER 8: ANTITRUST

Holtec complies with U.S. antitrust laws and antitrust laws of the countries in which it does business. Activities which involve limiting competition, restraining trade and other anti-competitive efforts to dominate a market may violate U.S. antitrust laws. Violations of antitrust laws can expose the Company and its Associates to criminal penalties and to civil lawsuits that could limit the Company's ability to carry on its business.

Agreements with competitors regarding pricing, terms or conditions of sale, or allocation of products, business markets, customers, or territories are prohibited. It is against Holtec's policy to communicate, directly or indirectly, with any competitor regarding its present or contemplated business actions, to include any pricing, terms, or conditions of sales.

Antitrust concerns also may arise in formation of teaming agreements, joint ventures or other cooperative efforts to obtain business by combining the complementary capabilities of Holtec and another company. In this connection, initial discussions with the potential partners on the feasibility of a cooperative arrangement are permissible. However, before any commitment to form such an arrangement is made, prior review by the corporate counsel is required.

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## **CHAPTER 9: CONTRACT PRICING AND ACCOUNTING**

Our customers have a right to expect, and we have an obligation to ensure, that our products and services are delivered at a fair and reasonable price. Accordingly, we will establish fair prices for Holtec products and services that reflect our costs, the technology involved, the difficulty of overall contract performance, market conditions, and other relevant factors.

Associates involved in the negotiation of contracts must ensure that all statements, communications, and representations are accurate and truthful. The submission to a U.S. Government customer or other customer of a proposal, quotation or other document or statement that is false, incomplete or misleading can result in civil and/or criminal liability for Holtec and any involved Associates.

In any government contract the Company enters where payment is on a cost-reimbursable basis, it is important that Associates record accurately all contract-related costs in accordance with generally accepted accounting principles and with applicable U.S. Government or state regulations. The shifting of charges or costs to inappropriate contracts or accounts is prohibited by Company policy and may be punishable by federal law. Each Associate has the responsibility for ensuring that no charge is made to a contract that is incorrect, unallowable or otherwise improper. Accordingly, time card accuracy is essential. Associates who falsify time cards may be subject to termination. If you are aware of any charging improprieties, you should report them in accordance with the procedure set forth in the RESPONSIBILITIES section above.

All funds or assets must be clearly disclosed and no funds or other assets may be maintained by the Company or its Associates for any illegal or unethical purpose. No payments or gifts are to be received or made on behalf of the Company for any purpose other than that described by the supporting documents and records maintained by the Company. In addition, federal regulations provide standards which require the maintenance of books, records and accounts that “in reasonable detail, accurately and fairly reflect the transactions and disposition of the assets” of the Company.



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## **CHAPTER 10: PRODUCT QUALITY**

The ultimate measure of the quality of our products and services is the degree to which they satisfy the needs of our customers. Therefore, we are committed to delivering quality products and services which, in all respects, meet all contractual obligations and Holtec quality standards. The Holtec QA Program provides the requirements for assuring quality product is provided. The QA Program also identifies responsibilities and required processes when nonconforming conditions are identified.

Such actions as falsification of data, knowingly allowing a nonconforming condition to remain unidentified and thus unremedied and improper substitution of materials may result in contractual, civil and criminal liability for the Company and involved Associates. Reporting of such conditions shall be to the Holtec Corporate QA Manager and the Ethics Program Director. Personnel found to have knowingly performed such actions shall be punished up to and including immediate termination.

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## **CHAPTER 11: COMMUNITY ACTIVITIES**

Holtec makes every effort to be a good citizen of the community in which its facilities are located, and encourages its Associates to do likewise.

Holtec may encourage or support participation by others, such as suppliers, in community organizations and activities. However, no Holtec Associate shall use his or her position with the Company to unduly influence or force such participation. Associates who hold public office or serve on commissions or advisory groups should be alert to conflict-of-interest situations and be prepared to abstain from participating in any deliberations or voting on any issues that directly involve Holtec.

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## **CHAPTER 12: POLITICAL ACTIVITIES**

### **12.1 Contributions**

Political contributions to federal election campaigns made directly or indirectly from Company funds are prohibited. The legality of political contributions to state or local campaigns or causes must be determined on a state-by-state basis and, therefore, must be approved in advance by the corporate counsel. Political contributions include any donation, gift, or loan of Company funds, assets, or property, directly or indirectly, to or for the benefit of any political party, committee, or candidate, and any use of Company funds, assets, or property, directly or indirectly to candidate or office-holder. This includes: (a) donations, gifts, or loans of funds, assets, or property which are made by Associates or third persons, such as agents, or consultants, who are reimbursed in any way by the company; (b) the uncompensated use of Company services, facilities, or property; and (c) loans, loan guarantees or other extensions of credit.

### **12.2 Associate Political Activities**

Associates who engage in political activities must do so on their own time as private citizens, not as Company representatives. Associates who seek public office may use vacation time or request leaves of absence to campaign or hold office. The Company will not make contributions to any political candidate or party.

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## **CHAPTER 13: PROTECTING INFORMATION**

### **13.1 General Policy**

The protection and proper use of information in our possession is fundamental to the Company's ability to carry out our business so that our customers, subcontractors and business Associates have confidence in the integrity of Holtec. Business and technical information is valuable to us; and it is Company policy that this information must be protected from loss, theft, inadvertent disclosure or misuse. Such information may be categorized as classified, Holtec proprietary/company private, subcontractor or supplier proprietary/company private, or Associate information. It includes drawings, specifications, manuals, photographs, films, reports, charts, computer software or correspondence as well as other information. The responsibility for protecting information in the possession of the Company rests with every Associate.

### **13.2 Proprietary and Company Private Information**

Company Private Information is information which, if made available to unauthorized persons or competitors, could have an adverse impact on the Company or its Associates.

Company business should not be discussed with unauthorized individuals. This also applies to close friends, neighbors or family members who may inadvertently pass on the information to others. Furthermore, you should not discuss sensitive matters even with authorized persons in public or semi-public surroundings such as on an airplane, at a trade show or in a restaurant.

Each Associate has a continuing obligation, after separating from Holtec, not to disclose any Holtec proprietary information. Likewise, management and Associates cannot solicit from a new Associate information to which the Company is not entitled. Public reports, communications with the press and any other disclosures of Company information are to be made only by authorized personnel.

### **13.3 Subcontractor and Supplier Information**

It is vital to Holtec's success that our subcontractors and suppliers know that information provided to us in confidence will be maintained confidential. No information received from another company which is marked proprietary or company confidential or carrying similar restrictive markings may be used for any purpose other than that which the owner intended. The same applies to unmarked data which, from its face, one reasonably can conclude should have been marked. These guidelines also apply to discussions with competitors at social or business events.

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#### **13.4 Associate Information**

Generally, information regarding Associates or former Associates may not be given to outside organizations or individuals. Inquiries regarding former or present Associates are handled by Human Resources.

#### **13.5 Gathering Information**

You should not seek or accept any information from any customer, competitor, or other source to which the Company is not legitimately entitled. Accordingly, you may not seek or accept information such as bid prices, competitor pricing or technical data, proposal evaluations or any other information marked by the U.S. Government as "Source Selection Information."

If you receive information and you are uncertain as to the Company's legal right to use that information, do not distribute or use it until the question has been reviewed and resolved by the corporate counsel.

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## **CHAPTER 14: COMPANY PROPERTY AND BENEFITS**

### **14.1 General Policy**

You may not obtain, use or divert Company or government property for your personal use or benefit. Removal of Company or government property from Holtec's facilities without permission may be regarded as theft. No item of Company property may be destroyed or materially altered without permission.

### **14.2 Travel Costs**

Associates who travel at Company expense have the responsibility of adhering to Company policies and assisting in the reduction of costs associated with travel.

### **14.3 Medical Claims**

No false statements are to be made on any Company medical insurance or other Benefits claim forms.

### **14.4 Other Expenses**

Expenses incurred in conducting Company business must be reported promptly, accurately and comprehensively.

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## **CHAPTER 15: SAFETY, HEALTH AND ENVIRONMENTAL PROTECTION**

Our Company is committed to protecting human health and the environment. This commitment requires that we integrate Associate health and safety and environmental considerations into the design and selection of equipment, facilities, operations and processes. It further requires that we conduct our operations in a manner that is environmentally responsible and that ensures the protection of the health and safety of our Associates and the public. We make every effort to recognize and respond to community and Associate concerns about these issues.

Associates are responsible for conducting their work activities in a safe and environmentally responsible manner and for bringing to management's attention any actual or potentially dangerous work place condition.

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## CHAPTER 16: DRUGS AND ALCOHOL

Holtec Associates are prohibited from the use, sale, distribution, possession, transfer or manufacture of illegal drugs and narcotics and/or alcoholic beverages on the Company premises and work sites, or in any Company work environment. "Work environment" includes but is not limited to, situations where a Holtec Associate is working off the Company's premises, including working at a customer's or vendor's place of business or participating in a meeting. Alcoholic beverages may only be allowed or consumed on the Company's premises with the permission (verbal) from a member of the Executive Management and in connection with a Company-authorized event.

Holtec Associates are prohibited from the use or possession of a prescription drug or narcotic, without a valid prescription, on the company premises and work sites, or any Company work environment.

All Holtec Associates are prohibited from reporting to work, returning to work or being at work under the influence of, or impaired by, drugs, controlled substances and/or alcohol.

A Holtec Associate who is in possession of a controlled substance under a valid prescription will not be in violation of the Company's policy. Nevertheless, many prescription drugs cause drowsiness and other side effects which would render a Holtec Associate unable to perform his or her work safely. All Holtec Associates who are legally using prescribed drugs or narcotics during work, and have any reason to expect that such use may affect their ability to perform their work, must report this fact to the Personnel Department. A determination then will be made as to whether the Associate is able to properly and safely perform the essential functions of the job. The Company will keep the information concerning such prescriptions and related information confidential, unless required under a judicial proceeding.

Any Holtec Associate who is convicted of an unlawful act involving drugs on or off the Company premises will be subject to disciplinary action, including termination.

When dealing with substance abuse issues, the Company will comply with all applicable state and federal laws.

See the Corporate Operations Manual for the complete Holtec Drug and Alcohol Policy.



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## **CHAPTER 17: WEAPONS**

The existence of weapons of any kind on Company or customer property is strictly prohibited.

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## **CHAPTER 18: VIOLENCE IN WORKPLACE**

Acts or threats of physical violence, including intimidation, harassment, and/or coercion, which involve or affect Holtec International or which occur on Holtec International property will not be tolerated.

Every Holtec Associate is encouraged to report incidents of threats or acts of physical violence of which he/she is aware.

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## **CHAPTER 19: COMPLIANCE**

### **19.1 General Policy**

Holtec is committed to a policy that the business conduct of all of its Associates be above reproach and devoid of even the appearance of wrongdoing. Our commitment to this policy is uncompromising.

It is the duty of each Associate to act in accordance with this policy. This includes the obligation to report to his or her supervisor, the Ethics Hotline or the Ethics Program Director any and all questionable activities, in accordance with the procedure set forth in the RESPONSIBILITIES section above. Within the constraints of legal requirements, the Company pledges to keep confidential within appropriate channels the identities of Associates who submit such reports.

The requirements set forth in this Corporate Governance and Ethics Manual apply to all Holtec Associates while at Holtec, on site, at a Holtec vendor facility and when performing any function as a Holtec Associate.

### **19.2 Non-Retaliation Policy**

Under no circumstances will any Associate be subject to any disciplinary or retaliatory action for filing a good faith report of a violation or potential violation. However, filing known false or malicious reports will not be tolerated, and anyone filing such reports will be subject to appropriate disciplinary action.

Retaliation against anyone reporting a compliance issue or investigating a compliance issue is strictly forbidden and will be subject to disciplinary actions.

### **19.3 Disciplinary Policy**

The principles set forth in this Corporate Governance and Ethics Manual and other relevant Company policies and procedures will be enforced at all levels, fairly and without prejudice. Associates who violate laws, regulations or the basic tenets of honesty and integrity required by these standards of business ethics and conduct will be subject to appropriate disciplinary action which could result in discharge, restitution of losses, civil action or criminal prosecution.

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## **CHAPTER 20: CONCLUSION**

The Company's Executive Management is absolutely committed to compliance with the letter and spirit set forth in the Corporate Governance and Ethics Manual. The Company expects and requires the same commitment from all its Associates.

Again, these standards are but a start; it is not possible, for example, to list all conflicts of interest and other unethical business practices. The best guidelines are individual conscience, common sense and unwavering compliance with all applicable laws, regulations and contractual provisions.

The Company will support all Associate efforts to comply with these standards. If you need advice or assistance concerning any aspect of the standards, consult your supervisor, the Ethics Program Director or the corporate counsel.